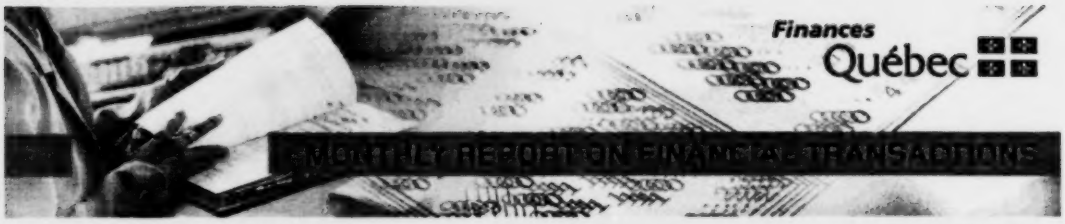
ISSN 1718-8377



Volume 2, number 10 April 8, 2008

AS AT JANUARY 31, 2008

January 2008 highlights

- The budgetary balance for January 2008 indicates that revenue is running $66 million ahead of expenditure.
- Budgetary revenue amounts to $5.2 billion, an increase of $101 million compared to last year. Own-source revenue stands at $4.0 billion, while federal transfers amount to $1.2 billion.
- Program spending is up by $613 million compared to January 2007 and stands at $4.4 billion. This increase is attributable, in particular, to the rise in spending relating to the health and social services network.
- Debt service stands at $587 million, an amount comparable to that of January 2007.
- Payments to the Generations Fund amount to $48 million, up $25 million compared to last year.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) (Unaudited)

	January [1]		April to January [1]		March 2008 Budget	
	2007 [2]	2008	2006-2007 [2]	2007-2008	2007-2008	Growth %
BUDGETARY REVENUE						
Own-source revenue	4 197	3 975	39 885	40 545	49 295	- 0.8
Federal transfers	931	1 254	9 131	11 110	13 625	23.7
Total	**5 128**	**5 229**	**49 016**	**51 655**	**62 920**	**3.7**
BUDGETARY EXPENDITURE						
Program spending	- 3 820	- 4 433	- 42 884	- 45 120	- 54 635	5.5
Debt service	- 579	- 587	- 5 733	- 5 827	- 7 003	0.0
Total	**- 4 399**	**- 5 020**	**- 48 617**	**- 50 947**	**- 61 638**	**4.8**
NET RESULTS OF CONSOLIDATED ENTITIES [3]	**33**	**- 95**	**217**	**31**	**- 162**	**—**
SURPLUS (DEFICIT) FOR THE PURPOSES OF THE PUBLIC ACCOUNTS	**762**	**114**	**616**	**739**	**1 120**	**—**
Payments to the Generations Fund [4]	**- 23**	**- 48**	**- 23**	**- 489**	**- 603**	**—**
Budgetary reserve	**—**	**0**	**—**	**200**	**- 517**	**—**
BUDGETARY BALANCE [5]	**739**	**66**	**593**	**450**	**0**	**—**

1 See the note on the accounting reform on the next page.
2 Some figures for 2006-2007 have been reclassified for consistency with the presentation adopted in 2007-2008.
3 Includes the net results of the non-budget-funded bodies and special funds, the health and social services and education networks, and the Generations Fund.
4 The Generations Fund began operations on January 1, 2007.
5 Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

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Finances Québec

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Volume 2, number 10

April 8, 2008

AS AT JANUARY 31, 2008

January 2008 highlights

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- Budgetary revenue amounts to $5.2 billion, an increase of $101 million compared to last year. Own-source revenue stands at $4.0 billion, while federal transfers amount to $1.2 billion.
- Program spending is up by $613 million compared to January 2007 and stands at $4.4 billion. This increase is attributable, in particular, to the rise in spending relating to the health and social services network.
- Debt service stands at $587 million, an amount comparable to that of January 2007.
- Payments to the Generations Fund amount to $48 million, up $25 million compared to last year.

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(millions of dollars) **(Unaudited data)**

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SURPLUS (DEFICIT) FOR THE PURPOSES OF THE PUBLIC ACCOUNTS	762	114	616	739	1 120	—
Payments to the Generations Fund [4]	- 23	- 48	- 23	- 489	- 603	—
Budgetary reserve	—	0	—	200	- 517	—
BUDGETARY BALANCE [5]	739	66	593	450	0	—

1. See the note on the accounting reform on the next page.
2. Some figures for 2006-2007 have been reclassified for consistency with the presentation adopted in 2007-2008.
3. Includes the net results of the non-budget-funded bodies and special funds, the health and social services and education networks, and the Generations Fund.
4. The Generations Fund began operations on January 1, 2007.
5. Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

Cumulative results as at January 31, 2008

Budgetary balance

- For the first ten months of the current year, the budgetary balance shows revenue exceeding expenditure by $450 million. This is a decline of $143 million compared to last year's results.

Budgetary revenue

- Budgetary revenue since the beginning of the year amounts to $51.6 billion, an increase of $2.6 billion compared to the same period last year.
- Own-source revenue stands at $40.5 billion, $660 million more than as at January 31, 2007. This improvement is attributable in particular to economic growth, resulting in increased revenue from personal income tax and the sales tax.
- Federal transfers amount to $11.1 billion for the first ten months of the current fiscal year, an increase of $2.0 billion compared to the same period in 2006-2007.

Budgetary expenditure

- As at January 31, 2008, budgetary expenditure amounts to $50.9 billion, an increase of $2.3 billion compared to last year.
- Program spending is up by $2.2 billion compared to last year and stands at $45.1 billion. The most significant changes are in the Health and Social Services ($1.4 billion) and the Education and Culture ($522 million) missions.
- Debt service amounts to $5.8 billion, up $94 million compared to January 31, 2007.

Generations Fund

- Payments to the Generations Fund amount to $489 million, including the additional payment of $200 million made further to the use of part of the budgetary reserve.

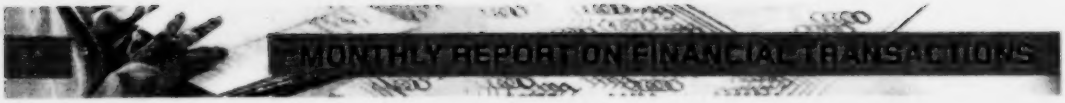
Net financial requirements

- For the period from April 2007 to January 2008, consolidated net financial requirements stand at $2.6 billion, a decline of $195 million compared to last year.

Note on the accounting reform

- *The results for the month of January 2008 and the year 2007-2008 reflect the changes made to the accounting practices as part of the accounting reform announced on December 11, 2007.*
- *The comparative figures for 2006-2007 have not been restated to reflect the changes made by the accounting reform. The impact of the reform in 2007-2008 shown in the 2008-2009 Budget Plan has been established at $853 million.*[1] *Accordingly, caution is required when making comparisons between 2006-2007 and 2007-2008.*

1 See the *2008-2009 Budget Plan, Section C – The Government's Budgetary and Financial Stance*, March 13, 2008 and the fall 2007 *Update on Québec's Economic and Financial Situation* for more information on the impact of the accounting reform.



CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars)

	January			April to January		
	2007	2008	Changes	2006-2007	2007-2008	Changes
BUDGETARY REVENUE						
Own-source revenue	4 197	3 975	- 222	39 885	40 545	660
Federal transfers	931	1 254	323	9 131	11 110	1 979
Total	**5 128**	**5 229**	**101**	**49 016**	**51 655**	**2 639**
BUDGETARY EXPENDITURE						
Program spending	- 3 820	- 4 433	- 613	- 42 884	- 45 120	- 2 236
Debt service	- 579	- 587	- 8	- 5 733	- 5 827	- 94
Total	**- 4 399**	**- 5 020**	**- 621**	**- 48 617**	**- 50 947**	**- 2 330**
NET RESULTS OF CONSOLIDATED ENTITIES	**33**	**- 95**	**- 128**	**217**	**31**	**- 186**
SURPLUS (DEFICIT) FOR THE PURPOSES OF THE PUBLIC ACCOUNTS	**762**	**114**	**- 648**	**616**	**739**	**123**
Payments to the Generations Fund	**- 23**	**- 48**	**- 25**	**- 23**	**- 489**	**- 466**
Budgetary reserve	**—**	**0**	**0**	**—**	**200**	**200**
BUDGETARY BALANCE[1]	**739**	**66**	**- 673**	**593**	**450**	**- 143**
Revenue dedicated to the Generations Fund	**23**	**48**	**25**	**23**	**289**	**266**
CONSOLIDATED BUDGETARY BALANCE	**762**	**114**	**- 648**	**616**	**739**	**123**
Consolidated non-budgetary surplus (requirements)	1 116	836	- 280	- 3 438	- 3 366	72
CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)	**1 878**	**950**	**- 928**	**- 2 822**	**- 2 627**	**195**

1 Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Cumulative results as at January 31, 2008

Budgetary balance

- For the first ten months of the current year, the budgetary balance shows revenue exceeding expenditure by $450 million. This is a decline of $143 million compared to last year's results.

Budgetary revenue

- Budgetary revenue since the beginning of the year amounts to $51.6 billion, an increase of $2.6 billion compared to the same period last year.
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- Federal transfers amount to $11.1 billion for the first ten months of the current fiscal year, an increase of $2.0 billion compared to the same period in 2006-2007.

Budgetary expenditure

- As at January 31, 2008, budgetary expenditure amounts to $50.9 billion, an increase of $2.3 billion compared to last year.
- Program spending is up by $2.2 billion compared to last year and stands at $45.1 billion. The most significant changes are in the Health and Social Services ($1.4 billion) and the Education and Culture ($522 million) missions.
- Debt service amounts to $5.8 billion, up $94 million compared to January 31, 2007.

Generations Fund

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- For the period from April 2007 to January 2008, consolidated net financial requirements stand at $2.6 billion, a decline of $195 million compared to last year.

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MONTHLY REPORT ON FINANCIAL TRANSACTIONS

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	January			April to January		
	2007	2008	Changes	2006-2007	2007-2008	Changes
BUDGETARY REVENUE						
Own-source revenue	4 197	3 975	- 222	39 885	40 545	660
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1. Corresponds to the consolidated budgetary balance for the purposes of the *Balanced Budget Act*.

CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars) (Unaudited data)

Revenue by source	January 2007	January 2008	Changes %	April to January 2006-2007	April to January 2007-2008	Changes %
BUDGETARY REVENUE						
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 651	1 308	- 20.8	14 803	15 536	5.0
Contributions to Health Services Fund	418	504	20.6	4 228	4 475	5.8
Corporate taxes	415	313	- 24.6	3 269	3 329	1.8
Consumption taxes	825	982	19.0	10 698	11 213	4.8
Other sources	231	204	- 11.7	2 003	2 150	7.3
Total	**3 540**	**3 311**	**- 6.5**	**35 001**	**36 703**	**4.9**
Revenue from government enterprises	**657**	**664**	**1.1**	**4 884**	**3 842**	**- 21.3**
Total own-source revenue	**4 197**	**3 975**	**- 5.3**	**39 885**	**40 545**	**1.7**
Federal transfers						
Equalization	467	597	27.8	4 606	5 967	29.5
Health transfers	311	375	20.6	3 011	3 174	5.4
Transfers for post-secondary education and other social programs	94	154	63.8	873	1 197	37.1
Other programs	59	128	116.9	641	772	20.4
Total federal transfers	**931**	**1 254**	**34.7**	**9 131**	**11 110**	**21.7**
TOTAL BUDGETARY REVENUE	**5 128**	**5 229**	**2.0**	**49 016**	**51 655**	**5.4**

CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars) (Unaudited data)

Expenditures by mission	January 2007	January 2008	Changes %	April to January 2006-2007	April to January 2007-2008	Changes %
BUDGETARY EXPENDITURE						
Program spending						
Health and Social Services	1 710	2 174	27.1	18 383	19 761	7.5
Education and Culture	979	1 004	2.6	11 556	12 078	4.5
Economy and Environment	363	432	19.0	4 935	5 236	6.1
Support for Individuals and Families	455	436	- 4.2	4 294	4 428	3.1
Administration and Justice	313	387	23.6	3 716	3 617	- 2.7
Total program spending	**3 820**	**4 433**	**16.0**	**42 884**	**45 120**	**5.2**
Debt service	**579**	**587**	**1.4**	**5 733**	**5 827**	**1.6**
TOTAL BUDGETARY EXPENDITURE	**4 399**	**5 020**	**14.1**	**48 617**	**50 947**	**4.8**

For information on this monthly report, contact Luc Monty at 418 691-2225.
The report is also available on the ministère des Finances du Québec website: www.finances.gouv.qc.ca.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

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(millions of dollars)

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